

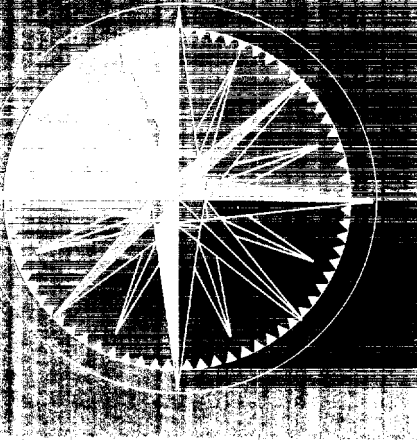
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7 February 1964

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# WEEKLY SUMMARY

State Dept. review completed

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## CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

DIA review  
completed.

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GROUP 1 Excluded from automatic  
downgrading and declassification

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**C O N T E N T S**

(Information as of 1200 EST, 6 February 1964)

<u>THE COMMUNIST WORLD</u>	<u>Page</u>
SOVIET ATTITUDE AT GENEVA DISARMAMENT CONFERENCE Moscow apparently believes that chances for early agreement on major disarmament measures are practically nil but would like to reach some understanding which would convey a sense of progress.	1
SOVIET AGRICULTURAL SITUATION ON EVE OF PLENUM Weather conditions so far this season are similar to those which caused last year's agricultural failure.	2
PEIPING RENEWS ANTI-SOVIET POLEMICS Its latest assault is designed to counter Moscow's charge that Peiping is "splitting" the Communist movement and at the same time to encourage just such action by anti-Soviet factions around the world.	3
HUNGARY INTRODUCES INTEREST CHARGE This "capitalist" practice, which is soon to be extended to East Germany, will have limited direct effect but may lead to additional reforms.	4
CZECHOSLOVAK ECONOMIC DIFFICULTIES The regime is preparing to introduce remedial measures which may cause popular dissatisfaction.	5
RUMANIA ENCOURAGING RELATIONS WITH THE WEST Apparently motivated primarily by a desire to expand trade, Bucharest has taken several steps to improve its image in and relations with the West.	6
POSSIBLE NEW EAST GERMAN PARTY LEADER Recent publicity on party affairs suggests that party secretary Erich Honecker has come to be regarded as eventual successor to Walter Ulbricht.	7
EAST-WEST GERMAN TRADE AGREEMENT The protocol continuing interzonal trade involves concessions by both sides--economic in West Germany's case, political on the part of the Communists.	8
YUGOSLAV - WEST GERMAN TALKS MAY RESUME Bonn and Belgrade are still seeking a basis for resuming talks, halted in July, to settle differences involving Yugoslav war indemnification claims and West German toleration of anti-Tito emigré groups.	8

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THE COMMUNIST WORLD (continued)

Page

25X1

**CHOU EN-LAI ENDS AFRICAN TOUR**

9

His only diplomatic plum was Tunisia's agreement to receive a Chinese Communist ambassador, but the trip may have prepared the way for future advances by Peiping and, for this reason, was probably a success.

ASIA-AFRICA

25X1

**COMMUNISTS MOVE AGAINST NEW SOUTH VIETNAM REGIME**

10

There has been a marked step-up of Viet Cong activity since the coup on 30 January, and there are signs of a concerted Communist effort to discredit General Khanh's government.

**POLITICAL UNCERTAINTY IN AFGHANISTAN**

11

The King and ex-Prime Minister Daud are engaged in a test of wills which centers on a proposed more liberal constitution. Daud may try to recover his dictatorial control.

**THE CYPRUS SITUATION**

12

The security situation on Cyprus has continued to deteriorate, and anti-US and anti-British sentiment has sharply increased. Negotiations have been renewed in London to find a compromise on the issue of a peace-keeping force.

**AREA NOTE**

13

On the Congo

**MODERATES LOSING OUT IN SOUTHERN RHODESIA**

14

White extremists are agitating for independence from Britain now, while Africans seem increasingly prone to use violence in their struggle with the white government and in their intramural disputes.

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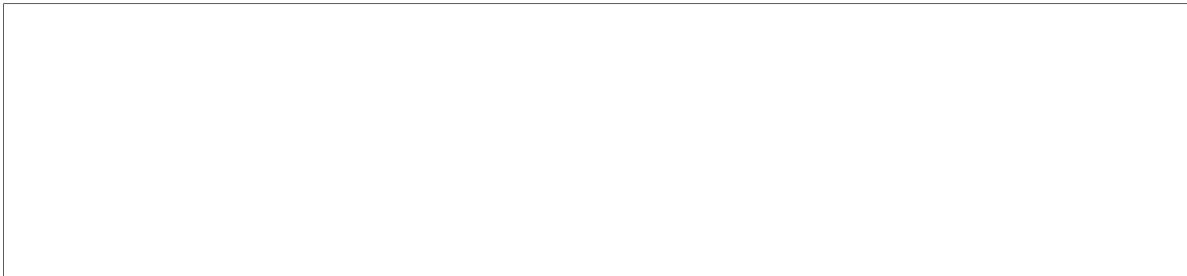
CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 11

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EUROPE

Page



25X1

**DE GAULLE'S PRESS CONFERENCE**

15

While his major immediate purpose was to facilitate the transfer of Chinese representation in Paris, his remarks on domestic matters may indicate some concern about public criticism of his regime.

**GREECE AGAIN PREPARES FOR ELECTIONS**

16

Barring unforeseen developments over Cyprus, George Papandreou's Center Union is expected to come out ahead again in voting on 16 February. A period of prolonged difficulty could ensue if he does not win a working parliamentary majority.

WESTERN HEMISPHERE

**DEVELOPMENTS IN THE PANAMA SITUATION**

17

Panama's success in forcing OAS consideration of its charges against the US will encourage Panamanian extremists, who want to prolong the impasse between the US and Panama as long as possible.



25X1

**VIOLENCE IN COLOMBIA**

19

Communist-instigated urban terrorism may intensify just before elections on 15 March



25X1

**COMMUNIST-DOMINATED LATIN AMERICAN LABOR CONGRESS**

20

The backers failed to achieve their primary goal of establishing an organization representing a majority of Latin American workers but did form a permanent executive to pursue this objective.

**INCREASING TENSIONS IN BRITISH GUIANA**

21

Premier Jagan's party, which fears it may lose control of the colony's government in new elections Britain has decreed, has apparently decided to provoke violence in order to prevent them.

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# SOVIET ATTITUDE AT GENEVA DISARMAMENT CONFERENCE

The Soviet attitude at the Geneva Disarmament Conference has underscored Moscow's apparent conviction that there is relatively little chance for agreement on major disarmament measures in the foreseeable future. Soviet leaders seem intent, however, on exploring US proposals in the hopes of reaching some understanding which would convey a sense of progress toward disarmament and give the appearance of forward movement in US-Soviet relations. The nine-point Soviet memorandum tabled on 28 January reflects Khrushchev's decision to stress "tension-reducing" measures rather than general and complete disarmament.

Key Soviet advisers at the conference have indicated that there are common points "which will facilitate discussion," and Soviet chief delegate Tsarapkin has expressed interest in probing aspects of the five-point program submitted by the US. Soviet commentators, meanwhile, have avoided harsh criticism of these proposals and have taken the line that President Johnson's "general formula" has yet to be fully developed into "concrete proposals."

A senior Soviet representative at Geneva recently confided that the USSR has certain ideas in the realm of "atmospherics" on which agreement might be reached. He thought that the conference could easily adopt a "symbolic resolution" calling upon all states to reduce military expenditures.

Tsarapkin told US delegate Foster that the discussion of measures to reduce tension should begin with the question of military budgets, on which both countries had already acted unilaterally. He said there would be no need for a formal agreement and the US had only to accept the principle of "mutual example."

In a 30 December interview, Khrushchev called for "a policy of mutual example in the curtailment of the arms race" to avoid the problems of verification and investigation.

The USSR has also indicated that some agreement might be reached on destruction of obsolete bombers. The US has proposed destruction of RB-47s and Soviet Badgers. While Tsarapkin has taken the standard position that all bombers are obsolete, he has not ruled out entirely a discussion of this issue.

The Soviets are hinting, moreover, that they will not necessarily insist on abandonment of Western plans for a multilateral NATO nuclear force (MLF) as a condition for reaching agreement on a nondissemination pact. The deputy chief of the Soviet delegation maintained that the USSR wants a detailed discussion of this question and US assurances that the MLF will not result in the proliferation of nuclear weapons.

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The Communist World

**SOVIET AGRICULTURAL SITUATION ON EVE OF PLENUM**

A Soviet central committee plenum on agriculture is scheduled to open on 10 February. Uppermost in the minds of its participants will undoubtedly be the food shortages and discontent caused by last year's agricultural failure and an awareness that weather conditions thus far this season are again relatively poor.

While it has been evident for several months that grain output dropped sharply in 1963, the full effect on consumers is only now becoming known. Recent reports state that white bread almost disappeared in many areas last fall and was replaced by dark bread of such poor quality as to cause illness in some cases. Bread riots and strikes were reported in several areas, and open expressions of dissatisfaction were fairly widespread. Even allowing for exaggeration and bias of the reports

it remains clear that discontent over the food situation has caused considerable concern in Moscow.

Weather conditions similar to those which adversely affected the winter grain crop of 1963 have been noted for some of the winter grain areas this year, especially in the Ukraine and Moldavia. While a record area of about 111 million acres of winter grains has been planted, extremely dry conditions in the fall in some areas reduced seed germination and retarded plant development. Following the abnormally warm fall, the winter grain areas have been subjected

to alternate thawing and freezing. In some areas inadequate snow cover has left the grain fields exposed--a condition conducive to winterkill.

On the other hand, it is possible that a good grain crop may be harvested from the New Lands in 1964--although summer weather is an important factor for this area. Abundant fall rains and heavy winter snows have greatly improved moisture supplies.

The forthcoming plenum--chaired not by Khrushchev but by the minister of agriculture--apparently will consider means of implementing programs already announced rather than new policies. Recent press reporting on agriculture has not mentioned possible policy shifts. On the contrary, the press has been preoccupied with lack of preparation for spring sowing--neglect of farm machinery and seed in storage. Several recent reports have suggested that some Soviet leaders would like more free enterprise in Soviet farming, but continuing and increasing restrictions on small-scale private agriculture--private plots and peasant-owned livestock--suggest there will be no move in this direction.

The plenum will probably discuss implementation of Khrushchev's chemical fertilizer program and may go into long-range plans for irrigation--a potentially multibillion-ruble program which was mentioned only briefly at the December plenum.

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## The Communist World

**PEIPING RENEWS ANTI-SOVIET POLEMICS**

Peiping continues to be confident that the trend in the international Communist movement is very much in its favor. A 4 February Red Flag - People's Daily article--the latest installment in the serialized answer to the Soviet party's letter of 14 July 1963--is designed to counter the charge that Peiping is "splitting" the movement, while at the same time encouraging just such action by anti-Soviet factions in parties around the world. Peiping appears to be trying to provoke the Soviets into an action which would place responsibility for a formal split on Moscow.

There is not much new substance advanced in the Chinese argument, but its tone of arrogant certainty in the rightness of the Chinese policies and of disdainful contempt for the weakness of the Soviet position marks a belief that Peiping has recovered an initiative it lost when it was isolated by its rejection of the nuclear test ban treaty. The Chinese openly charge that Soviet leaders by their ultrarevisionist policies have forfeited the leadership of the Communist movement and have even become "anti-Soviet." Since part of the Chinese argumentation is that all parties are sovereign and equal, Peiping does not claim this lost leadership for itself, but there is no mistaking the implication in the article of the long listing of precedent for the dissident minority's becoming the leader of a later and more pure majority.

While the Chinese do not yet appear ready to take the next logical step of organizing their present minority into a new International themselves, they clearly are prepared for such a move if the USSR tries to get a majority condemnation of their conduct. In the meantime, they are content to rely on their attacks on the Soviet leadership, their subversive efforts in other parties, and the loosening of Soviet control to improve their position.

This latest assault places the Soviet leaders in a difficult position. On the one hand, failure to respond to Peiping's challenge to resume "public debate" would tend to confirm the Chinese charge that Khrushchev's appeal last October for a cessation of polemics reflected the Soviet leaders' recognition that the debate was "developing in a way contrary to their wishes." An all-out resumption of polemics, on the other hand, would in effect concede to the Chinese the advantage of determining the ground of battle. It would also require Moscow to disregard the interests of foreign Communist leaders who have urged the Russians to avoid an open showdown which would sharply aggravate their own problems.

There are signs that Khrushchev's three-month moratorium on polemics is coming to an end, but it is not yet clear that he will accept Peiping's challenge for an all-out resumption of "public debate." In addition to Khrushchev's indirect attacks on the Chinese during Castro's visit

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The Communist World

to the USSR last month, Pravda on 30 January denounced Peiping's reaction to Khrushchev's 31 December proposal for an international agreement renouncing force in settling territorial disputes.

The Pravda article probably is the opening move in a new campaign to discredit Peiping, using the same tactics applied

last summer on the issue of Chinese rejection of the nuclear test ban treaty. It remains doubtful, however, that the Soviet leaders believe they can rally sufficient support within the Communist movement for a major response to Peiping's scornful charge that the Soviet warning last September of a "most resolute rebuff" was a mere bluff.

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HUNGARY INTRODUCES INTEREST CHARGE

Hungary now requires industrial enterprises to pay a type of interest charge on their fixed and working capital. Although introduction of this "capitalist" practice will have only limited direct effect, it reflects the active search by bloc regimes for ways to relieve pressing economic problems. Moreover it may lead to additional economic reforms such as increased decentralization.

The "capital use charge," imposed by Hungary on 1 January, is employed also in Yugoslavia. The East Germans intend soon to introduce such a charge experimentally, and other European satellites are considering similar actions. This charge is tantamount to a 5-percent annual interest charge on fixed and working capital to be paid initially from the profits of enterprises and not passed on to buyers. The purpose is to improve the management of enterprise assets and reduce inventories. Later, the Hungarian regime plans to work the capital charge into prices so that planners at all levels will be

better able to determine relative costs of alternative products, investments, and exports.

In the short run, operation of the economy is unlikely to be affected much. There should be some gain in efficiency, but the inadequate leeway allowed enterprise managers means that the basic problems characteristic of a rigidly controlled bloc economy will remain.

It is possible, however, that introduction of the capital use charge heralds broader reforms of the economic system. Application of what is in effect an interest charge is a major ideological change. Moreover, as prices come to reflect real costs more closely, resulting in more efficient operation of the economy, the government probably will be willing to decentralize economic decisions to a greater extent and to introduce appropriate reforms in the system of incentives. The effects on the economy could then be considerable.

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**The Communist World**

**CZECHOSLOVAK ECONOMIC DIFFICULTIES**

The state of the Czechoslovak economy has become a political liability for party leader Novotny and his colleagues, but some of the "reforms" to be introduced this year may cause even greater dissatisfaction among the workers.

Economic achievement in 1963, as reflected in a recent central committee resolution, were particularly poor. Industrial growth, after slowing in 1961 and 1962, actually dropped almost half a percent last year. Investments fell considerably. Basic economic problems are at the root of the decline, but production also suffered from the confusion and poor morale caused by the absence of coherent economic plans and policies.

The regime has allowed widespread discussion of reforms in economic management, which has brought forth bold proposals to scrap many facets of the planning system. Novotny's rigid policy of tighter state controls as a means of solving problems has come under strong attack. Economic policy has been modified to stress improved quality of products, technological change, and increased attention to requirements of purchasers.

These changes probably will cause some improvement, but

measures planned to implement them may spark discontent. For example, regulations now being drafted will prohibit disbursement of state funds for inferior products. A planned revision of wage policy, although it would provide greater material incentives, would penalize both management and workers for inferior production. Further resentment may result from plans to transfer at least 15,000 workers (plus families) to factories which are producing below capacity. A more active role of the party in controlling production will accompany these new measures.

Largely because of ferment in Slovakia over economic hardship and long-standing political grievances, development of this region is to be accelerated. The rate of increase planned for 1964 industrial output there, 7.2 percent, is nearly triple the rate for the remainder of the country. Some production is to be transferred to Slovakia from the more developed regions, and efforts to improve living standards are expected.

The regime's efforts to improve the economy not only will be resisted by the individuals directly affected but fall far short of demands from liberal elements for a fundamental change in the economic system.

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The Communist World

## RUMANIA ENCOURAGING RELATIONS WITH THE WEST

The Rumanian regime has recently taken a number of steps to improve its political image in and relations with the West. It appears to be motivated primarily by a desire to expand trade.

A top Foreign Ministry official has made it clear that a relaxation of US trade policies would increase Rumania's willingness to settle cases involving dual US-Rumanian citizenship and to get on with negotiations on a new consular convention, first proposed by the US in 1961. Another official said on 14 January that Rumania would be willing to finance imports from the US by using gold reserves and convertible currencies earned in Western Europe.

The Rumanians have also indicated an interest in having the New York Times re-establish a bureau in Bucharest, and seem ready to make several hundred copies of Western newspapers available in the country's major tourist areas. A survey published in January emphasized the Roman origin and character of the Rumanian language.

Domestically the regime has been stressing its growing "freedom of action" within the bloc. Its independent attitude toward the bloc economic organization (CEMA) was given the status of formal party doctrine in a party textbook on economic policy published in December.

The relationship between expanded Western trade and Rumania's continued "independence" within the bloc was the

theme of a conversation which politburo member Emil Bodnaras arranged with US Minister Crawford on 27 January. Bodnaras stressed that no CEMA decision affecting Rumania can be taken without its approval.

Although he admitted to Crawford that Rumania would give "slight" preference to a bloc country in placing its foreign trade orders, the regime's main concern was to obtain the best product wherever it could be found. "There are (Soviet bloc) countries," he said, "which do not share this view and have argued with us repeatedly. We simply have had to say no, no, no, and no."

Rumania's unorthodox view that all Communist countries should be included in CEMA activities--i.e., Communist China, too--was defended by Bodnaras when he said that current political differences between some of them made it all the more desirable to reduce economic separateness. He went on to note there would be more examples of Rumanian "unorthodoxy" in relations with the bloc and with the nonbloc world.

In an effort to impress Crawford with the permanency of Rumania's current policies, Bodnaras took the occasion to characterize the Rumanian politburo as a cohesive and pragmatic group whose members know what they want for their country's good. He concluded the discussion by saying that "as Lenin once said, what is needed is to combine Bolshevik organization with American practicality."

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The Communist World

**POSSIBLE NEW EAST GERMAN PARTY LEADER**

The recent trend of publicity on East German party affairs suggests that the question of Walter Ulbricht's eventual successor may have been resolved. The choice, at least as far as Ulbricht and the party (SED) are concerned, appears to be Erich Honecker, who serves not only as a politburo member and party secretary for security affairs, but also as secretary to the National Defense Council, Ulbricht's main instrument for coordinating party and state action in crisis situations.

Much less publicity has been given to East Berlin party boss Paul Verner, who has seemed from time to time to challenge Honecker's lead. The other obvious candidates appear to be out of the running for one reason or another. Acting Premier Stoph seems slated to replace ailing Premier Grotewohl. One-time challenger Alfred Neumann is tied down by his duties as chairman of the National Economic Council. Politburo member Albert Norden, who reportedly has fancied himself as a candidate, appears to be cooperating with Honecker and Stoph.

Indications of Honecker's ascendancy have come from various sources. In early January, at a ceremony commemorating the 45th anniversary of the German Communist Party, Ulbricht pleaded hoarseness and asked Honecker to finish reading his speech. The same day, the party mouthpiece Neues Deutschland reprinted a 1946 article by Honecker, then leader of the Com-

munist youth organization, which lauded Wilhelm Pieck, titular party leader at that time.

This apparent effort to link him with Wilhelm Pieck--traditionally supposed to have been more moderate than Ulbricht--may be intended to blur his role, as security chief, of enforcer of Ulbricht's hard line. The same motive may have prompted Honecker's remarks at the November central committee plenum that something would have to be done about the consumer goods situation. At least superficially he might be more acceptable than Ulbricht to those West Germans who have hopes of negotiating directly with the East Germans.

Honecker, now 51, apparently has been content for the most part to remain in Ulbricht's shadow. Described as one of the party's ablest leaders, he has demonstrated strong administrative abilities. During his career he has ruthlessly pursued power and shown an un-failing instinct for identifying himself with the winning--i.e., Soviet--side in important policy decisions. If the USSR desires the continuation of Ulbricht's hard line, free of Ulbricht's own personal involvement with Stalinist excesses, Honecker is the man. If a new line is desired, some other leader will have to be found.

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The Communist World

**EAST-WEST GERMAN TRADE AGREEMENT**

The agreement signed on 21 January by East and West Germany for 1964 enables interzonal trade to continue on the same basis as in recent years. East Germany had been threatened with a loss estimated at about \$33 million in 1964 as a result of West Germany's new oil tax law. After several months of negotiations, West Germany agreed to pay \$18,750,000 in 1964 in partial compensation for this loss. It also agreed to postpone until mid-1965 the annual settlement of interzonal trade accounts, a move which in effect provides additional short-term credit to East Germany. It is possible therefore that trade will increase in 1964.

The protocol was not signed until East Germany dropped its demands that the two negotiators sign as representatives of the German Democratic Republic and the Federal Republic of Germany. As is customary, they signed as representatives of their respective currency areas of the German mark. In once again accepting this formulation--which not only withholds diplomatic recognition from the Ulbricht regime but reiterates West Berlin's ties with West Germany--the Communists contradicted the "three Germanies" policy which they are promoting.

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**YUGOSLAV - WEST GERMAN TALKS MAY RESUME**

A West German Foreign Ministry official is expected in Belgrade next week to determine whether some basis can be found for resuming discussions on outstanding issues.

The previous round of talks was brought to a halt by Belgrade last July when the Germans failed to meet Yugoslav demands for indemnification of World War II losses. Subsequent diplomatic probes proved so fruitless that, by December, Belgrade was threatening to take the issue to the UN or to the signatories of the Potsdam Agreement. Belgrade was willing last summer to close the book on indemnification if Bonn would provide various forms of credits roughly equivalent to the \$300 million indemnification claim. Bonn now is willing to

give credits for roughly half that much.

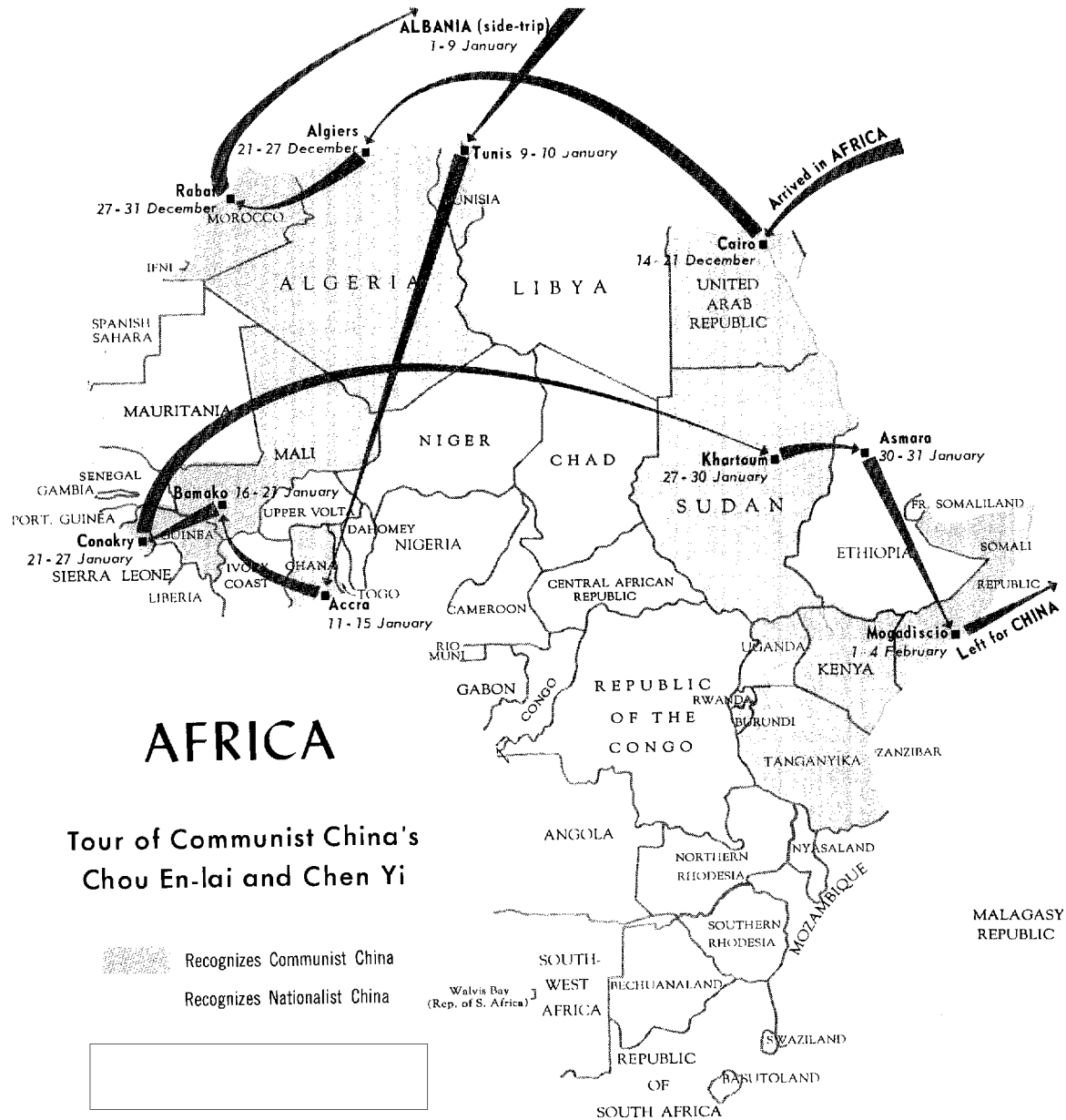
Belgrade has also demanded that Bonn curb the activities of the Ustashis, an emigré Croat terrorist organization based in West Germany. It is particularly incensed over Bonn's postponement of the trial of the Ustashis who blew up the Yugoslav Consulate in Bad Godesberg in 1962. Bonn now promises to take action against them and hopes that the Yugoslavs understand the "technical reasons" for the trial's postponement.

While Yugoslavia, anxious to resume talks, will be interested in Bonn's new approach, the West German offer is not generous enough to produce a quick final agreement.

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The Communist World

**CHOU EN-LAI ENDS AFRICAN TOUR**

Chou En-lai wound up his long African safari on 4 February without having scored any startling immediate gains. His only diplomatic plum was Tunisia's agreement to receive a Chinese Communist ambassador; he may also see a prospect that some of the African nations now recognizing Nationalist China may in time follow the French lead in establishing relations with Peiping.

The Chinese Communist premier's seven-week foray into ten African capitals may have helped prepare the way for future advances, however, and probably should be regarded as an over-all success. He made a favorable impression almost everywhere he went, and his personal charm has probably done much to increase respect for Peiping among his hosts.

The generally cautious and conciliatory tenor of Chou's approach was calculated to win over moderate Africans newly come to power and alarmed by Peiping's militant backing of violent revolution. His persistent efforts to present Chinese and African interests as identical seem likely to increase support for China at the next Afro-Asian conference.

Chou's only serious mistake was in Guinea when [redacted]

he included a bitter attack on the US and a pledge of "full support" for Panama in a live radiobroadcast.

Last-minute cancellations by Tanganyika, Kenya, and Uganda prevented Chou from exercising his personal diplomacy in these recently independent nations. [redacted]

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The final communiqué issued in Ethiopia referred only to "normalization" of relations in the "near future," although the Ethiopians have been moving toward formal diplomatic ties with Peiping in recent weeks. Haile Selassie may have put off Chou's pressure for immediate recognition pending an assessment of the Chinese visit to Somalia--a state with which the Ethiopians have long been at odds.

Little is known concerning Chou's contacts with leaders in Somalia and Sudan, but the final communiqués contained no surprises. The Chinese carefully avoided endorsement of Somalia's territorial claims on neighboring Ethiopia and Kenya.

Chou and his traveling companion, Foreign Minister Chen Yi, had been scheduled to stop in Pakistan, Ceylon, and Burma on the way home. Cancellation of the three visits in East Africa upset the itinerary, however, and the Chinese have returned to Peiping before setting out again for South Asia in mid-February. The interval will provide an opportunity to discuss with other leaders impressions gained in Africa and the impact there of French recognition. [redacted]

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Asia-Africa

**COMMUNISTS MOVE AGAINST NEW SOUTH VIETNAM REGIME**

There are signs that the Communists are making a concerted effort to discredit the regime of South Vietnam's new leader, Maj. Gen. Nguyen Khanh. As was the case after the overthrow of the Diem government in November, it appears that there has been a substantial increase in Viet Cong activity since the 30 January coup, including several attacks in company or battalion strength. The Viet Cong's Liberation Front on 31 January called for an intensification of guerrilla warfare, particularly against strategic hamlets. One reported target of recent attacks was a complex of five hamlets north of Saigon.

The pace of Viet Cong activity had already been gradually intensifying in the three weeks prior to the latest coup. About 70 percent of this activity has consisted of incidents of harassment--sabotage of communications, use of harassing fire near provincial towns, and attempts to terrorize strategic hamlet inhabitants. Regular government army units have also been ambushed with greater frequency.

General Khanh is moving quickly to consolidate his control over the government and to establish its legitimacy at home and abroad. A rapid reshuffle of the top military command confirmed the appointment as armed forces chief of Maj. Gen. Tran Thien Khiem, who, as commander of the

III Military Corps around Saigon, assisted Khanh's takeover. Other officers playing key roles in the coup have also been placed in top staff posts or commands.

Khanh has secured the cooperation of deposed junta chairman General "Big" Minh as "supreme adviser," a move designed to lend prestige and an appearance of legality to the new regime. Khanh is also consulting various civilian politicians with the idea of forming a "government of national union" to replace the civilian cabinet which presently continues in a caretaker capacity.

There has been no evidence of countercoup activity, but there are some signs of public skepticism about the new regime. A student demonstration in Saigon on 4 February favoring the reinstatement of General Minh reflects concern in some circles, particularly among the Buddhists, that the new rulers may revert to policies of the Diem regime. Commentary broadcast by the Liberation Front and Hanoi have played up the new leaders' past ties to Diem and sought to exploit uneasiness in South Vietnam over the ability of the military to form any stable government.

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Asia-Africa

## POLITICAL UNCERTAINTY IN AFGHANISTAN

A test of wills is developing between Afghanistan's King Zahir Shah and former Prime Minister Daud, and the political atmosphere in Kabul is filled with uncertainty.

Daud, who ruled the country with an iron hand for nearly ten years, is no longer content to remain quietly on the sidelines as he did last spring and summer after his sudden resignation. Since early last fall, he has spurned the King's appeals for support and has been vocally criticizing the draft of a proposed new constitution which symbolizes the King's desire for a more democratic government under liberal leadership. By his more open opposition, Daud has encouraged his followers and some political opportunists to look for his return to power.

The relatively liberal ministers in the present cabinet depend entirely on the King for political support, and their confidence has been shaken by Zahir's delays in pushing through the new constitution. With his encouragement, they had released a number of political prisoners during their first weeks in power,

Uncertainty in the government has also grown as a result of Prime Minister Yusuf's ill health, which may take him out of the picture. First Deputy Prime Minister Malikyar is widely regarded as close to Daud. He could cause further trouble for the King and his liberal supporters if he becomes acting prime minister.

The King remains the key factor. If he remains firm, the prospects are good for the continued liberalization of the government. Zahir's persistent attempts, however, to find a middle way reasonably acceptable to both reformists and Daud's conservatives make it difficult for him to appear strong willed. Many look on the King's efforts as a sign of weakness, and some tend to hedge their support for him.

Daud may thus be encouraged to step up his pressure to restore his own brand of dictatorial control, possibly under the guise of one-party "democracy," and again to give Afghan neutrality a strong pro-Soviet flavor.

A critical point is likely to be the presentation of the constitution to Afghan tribal elders for their approval sometime this spring.

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Asia-Africa

**THE CYPRUS SITUATION**

The security situation on Cyprus continued to deteriorate during the past week. Sporadic gun battles broke out between Greek and Turkish Cypriots in many parts of the island, and British military forces were on frequent alert to prevent new clashes in Nicosia.

International attention now is focused on London, where negotiations have been renewed following President Makarios' rejection of the Anglo-American proposals for sending an international force from NATO countries to Cyprus. His rejection was qualified by requests for clarification of several points and by acceptance of the concept of an international force. British and American officials are to meet with the Cypriot foreign minister in London on 7 February to try to arrive at a compromise.

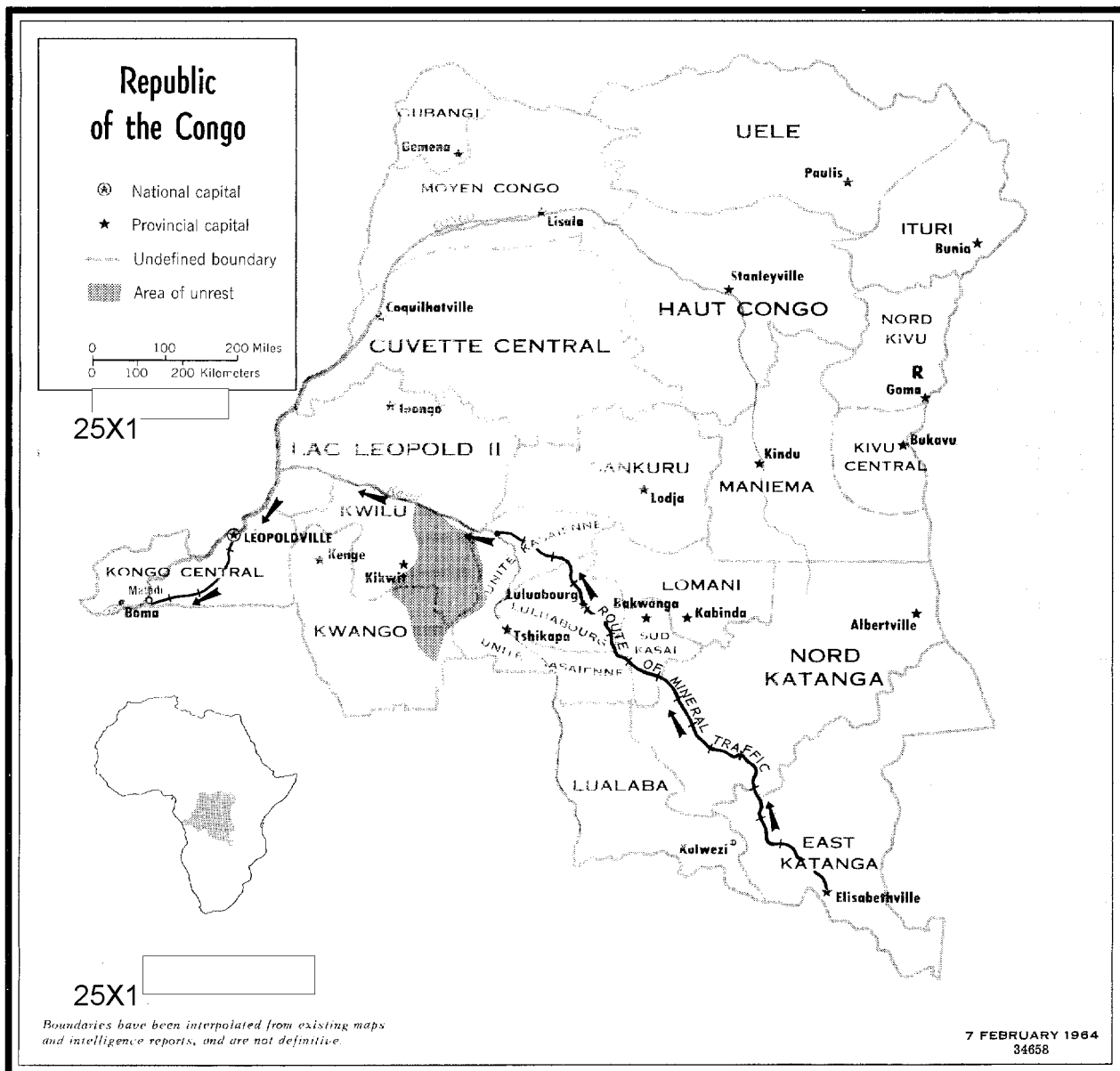
Meanwhile, the United Nations appears likely to become more directly involved. The Greek Cypriots have insisted that any peace-keeping force sent to Cyprus must have some direct relationship to the UN. They have warned that failure to work out an agreement on this issue will result in an immediate appeal to the Security Council. Makarios has stated privately, however, that he will consult the US and UK prior to

making such a move. On 5 February, Secretary General Thant cut short his African tour to return to New York because of the Cyprus problem.

Makarios' rejection of the proposals has been accompanied by growing anti-British and anti-American demonstrations by Greek Cypriots, including the explosion of two bombs on 4 February outside the US Embassy. The minister of interior has assured Ambassador Wilkins that every possible means would be taken to ensure the safety of American lives and property.

In Ankara, Turkish officials, while privately disparaging Makarios' "blackmail" tactics, officially have adopted a wait-and-see attitude. Foreign Minister Erkin, however, has warned publicly that as long as the stalemate over a peace-keeping force continues, Turkey retains its right to intervene unilaterally on Cyprus. The US air attaché in Ankara reports that in the area of southern Turkey where armed forces have been concentrating since late December, there is a belief that some Turkish "show of force" is being contemplated. He also reports that naval ships have been plying back and forth between the two Turkish ports nearest Cyprus.

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Asia-Africa

In Athens, the US ambassador states that it is hard to convey the depth of popular feeling against the Turks which now prevails. The army attaché reports a similar attitude--combined with deep distrust--among the Greek military. Fear that the US may support Turkey in future negotiations or other action in relation to Cyprus has

led to a bitter press campaign against US policy on the part of virtually all newspapers in Athens. Large but orderly demonstrations against the Anglo-American proposals for Cyprus have taken place in both Athens and Thessaloniki. There continue to be reports of Greek military movements in the eastern Aegean.

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AREA NOTE

Congo: Although battalion-sized reinforcements have been flown to the area of rebellion in the Congo's Kwilu Province, government troops appear to be doing little more than holding their own against the insurgents. The uprising has spilled over into neighboring provinces to the north, east, and south of Kwilu.

The rebels, purportedly led by radical Pierre Mulele, have succeeded in interrupting the flow of mineral traffic going from Katanga to the Congo seaport of Matadi. This week

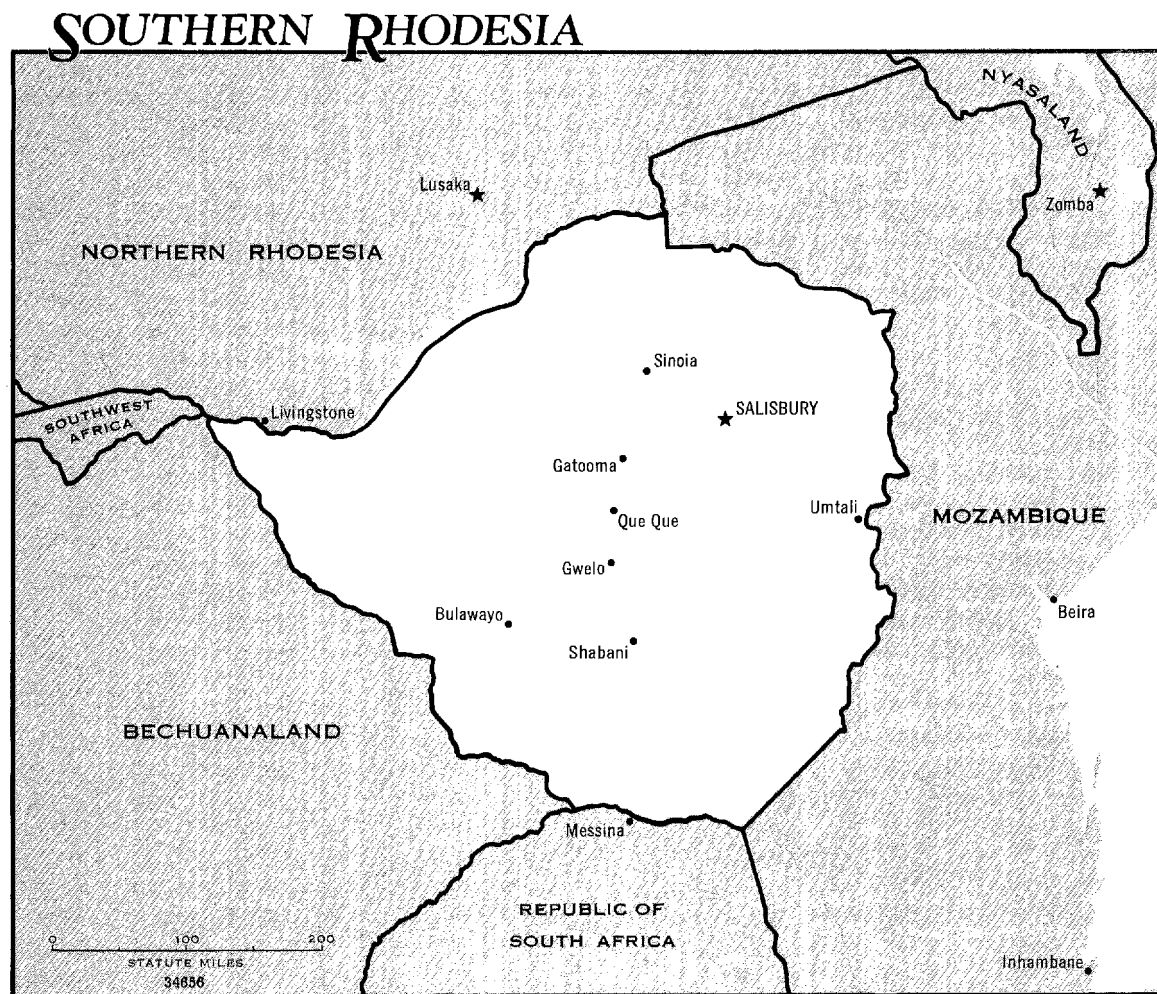
Unilever Corporation plantations in the Kwilu area, which produces much of the palm oil that is the country's most important agricultural product, began to evacuate European personnel.

If unchecked, the rebellion may attract new adherents among Premier Adoula's opponents, possibly including sympathizers in the army itself. Furthermore, leftist exiles in the neighboring Brazzaville Congo, although badly fragmented, may be able to capitalize on the situation if the rebels expand their gains.

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Asia-Africa

**MODERATES LOSING OUT IN SOUTHERN RHODESIA**

Both the white and the African communities in Southern Rhodesia are gradually drifting away from moderation, and the chances of peaceful political evolution seem to be diminishing.

On the white side, extremism takes the form of agitation for a unilateral declaration of independence from Britain. The colony's whites, who now number 225,000, have controlled their own internal affairs since 1923, and Britain's power to intervene in any field has been strictly limited since 1961.

Last April, Prime Minister Winston Field's government pledged itself to work for independence under present constitutional arrangements, which give the colony's 3.8 million Africans only an ineffective minority representation in the legislature. Britain, on the other hand, has said that independence will be withheld until there is majority--i.e., African--rule, albeit with minority guarantees.

The attitude of Field himself and his closest associates is not entirely clear. They seem to have come to realize that Southern Rhodesia's present autonomous status is the best they can realistically hope for, since a unilateral declaration of independence would give a further jolt to the recession-ridden economy and would largely isolate the territory politically.

The notion of a "Boston tea party," however, is immensely popular among the whites, who consider themselves far better equipped for independence than are most of

the African states cut loose from Britain in recent years. This idea is periodically encouraged by influential members of Field's own party who apparently believe that South Africa would come to the rescue of an independent Southern Rhodesia. As a result of these pressures, Field, who has never been willing to make many concessions to African nationalism, seems constrained to be even less flexible in negotiations with the British and the Africans than he might otherwise be.

This trend toward white intransigence has a counterpart among the Africans. African nationalists have gradually become conditioned to violent methods both by the heavyhandedness of the police and by the intimidation and gang warfare which the Africans themselves have practiced since the nationalist movement split last July. The police activities are part of the government's strategy--so far successful--of keeping the nationalists disorganized by persistent harassment.

With tempers rising on both sides, however, these tactics risk provoking new outbreaks instead of preventing them. The chances of interracial violence would be further increased if Field's government decided to yield to its right wing and declare the colony independent.

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Europe

# DE GAULLE'S PRESS CONFERENCE

De Gaulle's major immediate objective in his 31 January press conference was to facilitate the transfer of China's representation in Paris from the Nationalists to the Communists. Although sharply critical of the Communist regime, he acknowledged Peiping's control over "almost the whole of China" and relegated Chaing Kai-shek to the status of an honored comrade-in-arms.

In effect, De Gaulle's statement rejected both Chiang Kai-shek's claim to represent China and the "two-Chinas" formulation opposed by Peiping, but took account of the fact that Taipei is not under Peiping's control.

De Gaulle also adverted to his idea that Southeast Asia should be a "neutral" region, and to his belief that it is necessary to have China's acquiescence to accomplish this by treaty. He

apparently envisages the states of the area as buffers comparable to the Eastern European satellites of the USSR.

De Gaulle did not mention Thailand in this context. The omission may have been intentional to allay SEATO fears. Foreign Minister Couve de Murville, however, recently told Ambassador Bohlen that France wishes to achieve the neutralization of Thailand also.

De Gaulle spoke at length on domestic matters, which may have indicated some concern about public criticism of his regime. His lengthy defense of the institutions of the Fifth Republic suggests that the efforts of the forces behind the presidential aspirations of Gaston Defferre, Socialist mayor of Marseilles, are having some effect. De Gaulle refused to make any commitment about his own plans for 1965. Although many French journalists nevertheless interpreted his cryptic statement on this point as tantamount to a declaration of his candidacy for re-election, it seems unlikely that De Gaulle would deliberately tip his hand.

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Europe

### GREECE AGAIN PREPARES FOR ELECTIONS

On 16 February, for the second time in slightly over three months, Greece will elect a parliament.

The 3 November elections gave no party a majority of the 300 seats in parliament. The slightly right-of-center National Radical Union (ERE), which had ruled Greece for over seven years, won 132 seats with 39 percent of the popular vote, while the middle-of-the-road Center Union (EK) gained a surprise success, taking 138 seats with 42 percent of the vote. The Communist-front United Democratic Left (EDA) obtained 28 seats with 14 percent of the vote. The small rightist Progressive Party elected only two deputies with less than 4 percent of the vote.

Following those elections ERE leader Constantine Karamanlis quit politics in disgust and retired to Paris, while the 75-year-old EK leader, George Papandreou, became premier. Papandreou, however, won his confidence vote on 24 December only with the help of EDA. Rejecting Communist support, he resigned after calling on King Paul to proclaim new elections. He nevertheless used his 50 days in power to announce plans to ameliorate the living conditions of farmers, workers and white-collar groups, and to begin a program of educational reform.

The ERE was reluctant to go to the polls again since Papandreou seemed to be riding a tide of personal popularity

which would bring him bigger gains than those he made in November. Moreover, ERE's new leader--personally chosen by Karamanlis before his departure--is Panagiotis Kanellopoulos, a dignified 61-year-old politician [redacted]

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On 11 January, the ERE and the Progressives announced an agreement to cooperate in the elections, but the Progressives have not been very active.

The Communists, faction-ridden and short of funds, plan to run candidates in only 31 of the 55 electoral districts. They urge EDA supporters elsewhere to vote for the EK.

Questions of economic policy still loom large in the campaigning, but Cyprus has become a more significant issue than it was last November. The EK is denouncing Karamanlis for signing the 1959 London-Zurich Agreements which gave Cyprus its independence, and the ERE is attacking Papandreou for refusing to forego elections and form a government of national unity during the crisis. The Communists hope to profit from any anti-NATO, anti-US feeling stimulated by developments on the island.

Barring unforeseen developments over Cyprus, most observers believe the EK will come out ahead again. Unless the EK wins 155 seats, however, the government probably would still be unstable and a period of deepening political difficulties might ensue. [redacted]

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Western Hemisphere

## DEVELOPMENTS IN THE PANAMA SITUATION

Panama's success in invoking the Rio Treaty in the OAS--despite a lack of enthusiasm among most other Latin American countries for the tactic--will further encourage extremists in Panama. Pro-Communists believe that their ability to influence the Chiari government is strengthened by every event which prolongs the Panamanian-US impasse.

Panama on 4 February managed to convoke the Council of the OAS as an Organ of Consultation to consider charges of aggression against the US. Its OAS ambassador said this was a great victory and that the "trial" had already begun. However, a consensus appears to exist that Panama cannot substantiate its charges.

Mexico has been leading efforts, so far without success, to establish a five-nation committee to investigate the allegations, seek resumption of diplomatic relations, and mediate revision of the canal treaty.

Use of the OAS to force treaty revisions is considered dangerous by Chile. Colombia and Venezuela also oppose Panama on this point, and Peru can be expected to join them. Bolivia, Ecuador, and others who resent existing treaties are of course pleased by the precedents which have been set by Panama.

Except on the part of the opposition parties in Peru, there seems to be no strong sentiment in Latin America for internationalization of the canal nor for its removal from US control. The

idea of limited treaty modifications is widely accepted, but thinking in some capitals is likely to be influenced by the realization that treaty revisions could bring higher rates for use of the canal. Panama's specific objectives regarding control of the canal are not clear, but Panamanian officials do not seem anxious to take over its operation now and have consistently opposed both internationalization or inter-Americanization.

Cooperation between Panama's Communist party (PdP) and a Castro-supported revolutionary (VAN) group evidently is continuing in student and propaganda efforts to keep anti-US nationalistic fervor at a high pitch. PdP leaders reportedly believe that continued pressure on President Chiari to remain adamant toward the US may cause the Panamanian "elite" to turn on the government and thereby provide the opportunity for leftist-led revolution.

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A rally called by student leaders for 9 February will probably foreclose any chance that Chiari might moderate his stand in the near future.

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CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 17

Approved For Release 2008/08/08 : CIA-RDP79-00927A004300110001-4

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Western Hemisphere

## VIOLENCE IN COLOMBIA

Communist-instigated terrorism in Colombian cities, a major political problem of the National Front government in 1963, is likely to intensify in the period immediately preceding the 15 March congressional, departmental, and district elections. The security forces, [redacted] are concentrating on the largely nonpolitical banditry in rural areas [redacted]

Urban terrorist activity was much more intense in 1963 than in the years immediately preceding, and particularly so during the latter half of the year. In contrast to the long-continued violence in rural areas, the urban terrorists have primarily attacked property rather than persons. Urban terrorism has usually been timed to coincide with events of national significance. Targets have included official and semiofficial installations, prominent Colombian personalities and business firms, and foreign, particularly US, personnel and installations. Recently, the terrorists have been using more powerful explosives and bombs, and it seems likely that this portends an increased level of activity.

Extremists of the leftist MOEC, FUAR, and MRL Vanguardia

parties have been responsible for the bulk of the terrorism, although rightist members of ex-dictator Rojas Pinilla's ANP party have also been active. In the past six months, a newly formed organization, the FLN, modeled after the Venezuelan FALN, has also made its appearance. As in Venezuela, student elements are thought to be among the most active terrorists.

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Intensive antiterrorist operations in rural areas have reduced the death toll from 2,909 in 1962 to 1,984 in 1963. The situation is expected to continue to improve as a result of equipment and training of antiguerrilla forces furnished by the US. On 29 January, however, bandits attacked a bus in Santander Department killing 16 persons and wounding 9.

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Western Hemisphere

**COMMUNIST-DOMINATED LATIN AMERICAN LABOR CONGRESS**

The constituent congress of the Single Center of Latin American Workers (CUTAL), which was held in Brazil from 25 to 28 January, failed to achieve its primary objective--the establishment of a hemisphere-wide labor organization which could claim to represent a majority of Latin American workers. A skeleton executive committee was established, however, and the meeting provided its Communist backers with a propaganda platform.

The congress got off to a bad start when hostile popular demonstrations prevented it from convening in Belo Horizonte, the original site. It was saved from complete failure largely through the efforts of the Brazilian Government and Brazilian Communist labor officials who helped the delegates obtain a meeting site and transportation in Brasilia.

The Brazilian Ministry of Labor provided financial assistance for the delegates' accommodations. Financial aid came also from the Cuban Revolutionary Workers Central and the Moscow-directed World Federation of Trade Unions (WFTU).

Delegates from labor unions in almost all Western Hemisphere countries, including delegates from some of the European possessions in the Caribbean, were present, some 300 in all. Czechoslovakia, the USSR, East Germany, Yugoslavia, British Guiana, and France sent observers.

The establishment of a permanent executive committee--which plans to open an office in Santiago, Chile--will enable the organizers to assert that CUTAL is in actual operation. This will justify efforts to gain the adherence of national labor confederations in competition with non-Communist hemisphere labor movements. Cuba has long wanted to replace the defunct WFTU-affiliated Confederation of Latin American Workers (CTAL) with a Havana-oriented organization.

It seems unlikely, however, that CUTAL can attract even limited support. Latin American labor historically has been unenthusiastic about area-wide labor organizations. CTAL's poor showing indicates that an openly Communist-dominated movement has even less appeal.

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Western Hemisphere

### INCREASING TENSIONS IN BRITISH GUIANA

The People's Progressive Party (PPP) of British Guiana's Premier Cheddi Jagan has apparently decided, after a period of indecision, to try to prevent new elections from being held under the proportional representation system Britain decreed at the constitutional conference last October. The PPP fears it will lose control of the government if the election takes place.

organized by the PPP's Progressive Youth Organization (PYO), and is picking up momentum. Two teams of PYO members are moving through the countryside urging villagers along the route to join the demonstration. The marchers expect to reach Georgetown on 8 February and Jagan is to address the group on 9 February.

Although Forbes Burnham's opposition party, the People's National Congress (PNC), has advised its largely Negro supporters to ignore provocation by the predominantly East Indian PPP, the danger of renewed racial violence is high. On 2 February PNC demonstrators clashed outside PPP headquarters with PPP supporters and shots were fired. Moreover, there are reports that PYO members intend deliberately to create as many incidents as possible to force the British to fire on them.

Increasing aggressiveness on the part of the PPP has been evident in many quarters. Within the past two weeks over 370 acres of cane fields worth approximately \$350,000 have been burned by PPP activists. The apparent purpose of this arson campaign is to induce sugar producers to recognize only the PPP-sponsored sugar workers' union.

A march on Georgetown, the colony's capital, has been

Britain now has one crack battalion of Grenadier Guards --about 700 men--in the colony. The police are on the alert throughout the country, and reinforcements have been sent to the more troublesome areas along the route of the march.

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